

**Deductions from Wages for Faulty Workmanship,
Loss, Theft or Damage
Section 103.455 Wisconsin Statutes**

No employer shall make any deduction from the wages due or earned by any employee, who is not an independent contractor, for defective or faulty workmanship, lost or stolen property or damage to property unless the employee authorizes the employer in writing to make such deduction or unless the employer and a representative designated by the employee shall determine that such defective or faulty work, loss or theft, or damage is due to worker's negligence, carelessness, or willful and intentional conduct on the part of such employee, or unless the employee is found guilty or held liable in a court of competent jurisdiction by reason thereof. If any such deduction is made or credit taken by an employer, that is not in accordance with this section, the employer shall be liable for twice the amount of the deduction or credit taken in a civil action brought by said employee. Any agreement entered into between employer and employee contrary to this section shall be void and of no force and effect. In case of a disagreement between the two parties, the department shall be the third determining party subject to any appeal to the court.

***Note:** This section restrains discipline for faulty workmanship only when such discipline takes the form of a deduction from wages covering services already performed. 41 Atty. Gen. 216.

An opinion issued by the Wisconsin Attorney General on January 9, 1970, answered certain specific questions relative to Section 103.455 as follows:

Question: May the employer require his employees to sign a statement giving the employer permission to deduct for shortages, mistakes, losses, etc., from the employees' wages prior to the time the alleged loss or shortage occurred? (This would include signatures prior to the time the wages from which the deduction is to be made were earned.)

Answer: No. An employer cannot deny an employee the right to disagree and utilize the department as the determining party or foreclose his right to subsequent review.

Question: Is an endorsement of a payroll check by an employee considered written permission as defined under Section 103.455?

Answer: No. The endorsement on the check is required to cash the check. "Any agreement entered into between employer and employee contrary to this section shall be void and of no force and effect."

Question: Is an employee's signature on a daily checkout sheet considered a written permission as required by this section?

Answer: Probably no. It depends upon the purpose and function of a daily checkout sheet. The statute contemplates that signing documents for a specific purpose may not be used to meet the employee authorization for deduction" as a byproduct for the employer's benefit.

Question: Is an employee's signature on a time card showing the shortage deduction or a check stub retained by the employer considered written permission?

Answer: Probably no. Here again the reasoning given at the above question is applicable.

In summary: Section 103.455, Wisconsin Statutes, contemplates that an employee may voluntarily and without undue pressure, authorize in writing deductions from his paycheck for grounds stated therein. Where his signature is required for some legitimate purpose that cannot be used for other purposes where the employee will be denied his right of choice.

**State of Wisconsin
Department of Workforce Development
Equal Rights Division
Labor Standards Bureau**

201 E WASHINGTON AVE ROOM A300
PO BOX 8928
MADISON WI 53708

Telephone Number: (608) 266-6860
TTY Number: (608) 264-8752

819 N. 6TH STREET
ROOM 255
MILWAUKEE WI 53203

Telephone Number: (414) 227-4384
TTY Number: (414) 227-4081

The Department of Workforce Development is an equal opportunity employer and service provider. If you have a disability and need to access this information in an alternate format or need it translated to another language, please contact us.